



## Illinois Department of Commerce & Economic Opportunity

Pat Quinn, Governor • Warren Ribley, Director

December 30, 2010

Dear Members of the General Assembly:

Public Act 94-966 created The Business Location Efficiency Incentive Act (35 ILCS 11), effective January 1, 2007. It authorizes the Department of Commerce and Economic Opportunity (DCEO) to provide increased Economic Development for a Growing Economy (EDGE) benefits for applicants who meet affordable workforce housing or affordable and accessible mass transit criteria.

Pursuant to the Business Location Efficiency Incentive Act (35 ILCS 11/20b):

*By January 1, 2011, the Department shall submit to the Speaker of the House of Representatives and the President of the Senate, for assignment to the appropriate committees, a report on the incentives awarded under this Act and the Department's activities, findings, and recommendations with respect to this Act and its extension, amendment, or repeal. The report, when acted upon by those committees, shall be distributed to each member of the General Assembly.*

The enclosed report contains information on the Business Location Efficiency Incentive Act, a list of incentives awarded under the Act, and recommendations for extension.

DCEO has found this Act to provide an effective tool to encourage businesses to undertake projects at sites already served by infrastructure. We strongly recommend extending the Business Location Efficiency Incentive Act and I look forward to working with you towards this goal.

Sincerely,

Warren Ribley  
Director

**ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY**  
**Economic Development for a Growing Economy (EDGE)**  
**Business Location Efficiency Report**  
**December 30, 2010**

The Illinois Economic Development for a Growing Economy (EDGE) program is operated by the Illinois Department of Commerce and Economic Opportunity (DCEO) and intended to help the state compete, on a more level playing field, with other Midwestern states for the location of large job creation or retention projects. A component of the EDGE program is the Business Location Efficiency Incentive Act (35 ILCS 11), effective January 1, 2007, which authorizes DCEO to provide increased EDGE benefits for applicants who meet affordable workforce housing or affordable and accessible mass transit criteria.

Under the EDGE program, eligible businesses which have submitted a written application and been approved by DCEO may claim a nonrefundable tax credit against their state income taxes. (The amount of the tax credit is calculated based on the income taxes paid by new full-time employees and the retained employees).

The Business Location Efficiency Incentive Act authorizes DCEO to provide increased EDGE benefits for applicants who meet the criteria contained in the Act. At the discretion of the Department, the Department may provide:

- 1) Up to 10 percent more than the maximum allowable tax credits for which they are eligible under the Act, but not to exceed 100 percent of the applicant's tax liability, or
- 2) Such other adjustment of those tax credits, including but not limited to authorizing the term of the credit to exceed 10 taxable years, as the Department deems appropriate to foster job creation and retention in Illinois. In order to qualify for increased EDGE benefits under the Business Location Efficiency Incentive Act, the applicant must submit a location efficiency report that:
  - 1) satisfies Business Location Efficiency Incentive Act's standards for affordable workforce housing or affordable and accessible mass transit, or
  - 2) If the Department determines from the location efficiency report that the applicant is seeking assistance in an area that is not location efficient, the Department may award an increase in State economic development assistance if an applicant submits, and the Department accepts, an employee housing and transportation remediation plan or creates jobs in a labor surplus area as defined by the Department of Employment Security at the end of each calendar year.

### Incentives Awarded Under the Act

The table below is a summary of the Department's incentives awarded under the Act from its inception through December 30, 2010:

Company Name	City/County	Jobs Created	Jobs Retained	Capital Investment	EDGE Award		Type of Award	Qualified Under
Alpha Baking Company, Inc.	Chicago/Cook	0	247	\$2,300,000	\$2,209,820	8/7/2009	10% increase	Mass Transit
AAP Pharmaceuticals, Inc.	Skokie & Schaumburg/Cook	170	377	\$43,045,383	\$8,977,200	2/26/2010	10% increase	Mass Transit
Camtek, Inc.	Bloomington/McLean	29	37	\$4,889,237	\$528,040	12/14/2009	10% increase	Mass Transit
Chrysler Group, LLC	Belvidere/Boone	0	1,950	\$603,800,000	\$53,153,456	5/3/2010	exceed 10 years	Affordable Workforce Housing
GEKA Brush Corp.	Elgin/Cook	88	0	\$6,484,618	\$1,015,630	3/5/2008	10% increase	Affordable Workforce Housing
HEAT Armor, LLC	Chicago/Cook	25	0	\$4,357,042	\$514,860	1/23/2009	10% increase	Mass Transit
Mandus Group LTD	Rock Island/Rock Island	24	12	\$971,420	\$428,080	8/13/2010	10% increase	Mass Transit
MillerCoors LLC	Chicago/Cook	275	25	\$18,833,702	\$14,838,105	3/20/2009	exceed 10 years	Mass Transit
Navistar International Corporation	Lisle, Melrose Park, Joliet/ DuPage, Cook, Kendall	400	2,200	\$205,000,000	\$63,921,575	9/2/2010	exceed 10 years	Mass Transit
RGH Enterprises, Inc.	Elgin/Kane	30	0	\$3,360,912	\$344,430	2/2/2009	10% increase	Affordable Workforce Housing
Reynolds Foil	Lincolnshire/Lake	14	0	\$1,804,972	\$771,540	8/4/2008	10% increase	Mass Transit
The Boeing Company	Mascoutah/St. Clair	70	0	\$7,208,026	\$2,205,000	8/13/2010	exceed 10 years	Affordable Workforce Housing
TLHUS, Inc.	Hoffman Estates/Kane	20	300	\$25,453,900	\$14,702,235	10/11/2010	exceed 10 years	Mass Transit

### Findings and Recommendations

The Department recommends permanent extension of the Business Location Efficiency Incentive Act (35 ILCS 11). The Department has found that the Act provides an effective tool to encourage businesses to undertake projects at sites already served by infrastructure. The Act is currently scheduled to be repealed December 31, 2011 under the current statute section 35 ILCS 11/25.

DCEO will be able to include future data on incentives under this Act in the annual EDGE Tax Credit report that the DCEO must file each year with the General Assembly.